

JSEC Employment NEWS

Volume 2, Winter 2000

Lake County Job Service
Workforce Center
Post Office Box 970
Polson Montana 59860
(406) 883-7880
jsd.dli.state.mt.us/local/polson

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Employee Retention

Employee retention is one of those "hot" topics!" A single most important factor in keeping your qualified and fully trained employees is **making a good hiring decision** in the beginning. Hiring and training qualified employees requires a major investment of both time and money. A poor hiring decision, which leads to hiring a replacement, can cost your company several thousand dollars. With the tight labor market today, it makes sense to invest time in your current staff to motivate and keep them. One of the most important functions of management is being able to motivate others. In fact, the extent of your success depends on it. While wages and benefits are important, assuming they're competitive, they are not the prime reasons employees stay in their jobs. A simple way to find out what motivates your employees is to ask them. You can do this individually, in person or through surveys, letters, new hiring forms, meetings, etc. After you find out what is important to your employees, use it! It could be as simple as a handwritten note complimenting them, perhaps movie tickets, a gift certificate, etc.

Hiring the right individual to perform the job is the most vital factor. After that person is hired, supervisors must practice the following:

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Our Newsletter is now online along with many other employer resources, including wage and hour information, useful Lake County statistical information, and labor market information. The website also has online tutorials for Windows, Word, Excel, and Internet Explorer.

We are also building a database of the most common asked questions from employers and job seekers so check the website often for new and useful information.

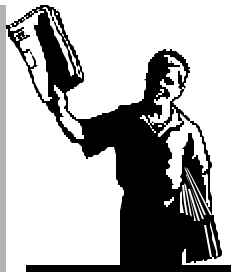
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Top Causes of Turnover

- ❖ Lack of recognition
- ❖ Weak supervision
- ❖ Ineffective communication
- ❖ Non-competitive or inappropriate pay and benefits
- ❖ Employee harassment
- ❖ Ineffective new employee screening
- ❖ Unfriendly working environment
- ❖ Conflicts with family/personal needs
- ❖ Stress from lack of knowing the job requirements (poor training)
- ❖ Problems with work hours.



Do you find this information useful, or is there something you would like to see in a future newsletter. Call us at 883-7880, or send us your suggestions at: lakecountyjsc@jsd.dli.state.mt.us and we will research the topic and put it into a future newsletter.

Tips for Job Reference Checks:

The best predictor of success on the job is past performance. Giving and getting job references is legitimate business activity. The provider of information has a legitimate interest or duty regarding the information and the receiver of information has legitimate interest or duty regarding the information. It is a good idea to inform applicants that you will be checking references. This can be done on job announcements, job postings or advertisements, as a written release on your job application, and during the interview process. Some people will not even apply if they know you are checking references. Asking for personal references may be suspect for discrimination as applicants often list religious contacts. Besides, savvy applicants only list personal references who will give positive responses. Be consistent and fair in treatment of applicants to avoid discrimination claims. If you check references on any applicants, check references on all applicants. Telephone reference check example is enclosed.

Tips on Providing References:

- ⇒ Have a policy specifying who can give references in your business, as you may be liable for references given out by other employees.
- ⇒ Ask the person calling you what the questions will be and tell the person you will pull the personnel file and call back. This allows time to prepare how you will answer questions.
- ⇒ Communicate facts supported by documentation not opinions. You can cite specific examples that are documented. Avoid subjective and broad statements.
- ⇒ Be concerned with what happened while the person was employed by you—not what the person did before you hired.
- ⇒ Be sure you have the facts—not suspicions—before giving out negative or sensitive information.
- ⇒ Give information in good faith—true (factual, objective) and without malice.
- ⇒ Maintain records in personnel files documenting who contacted you, what questions were asked and how you answered them.

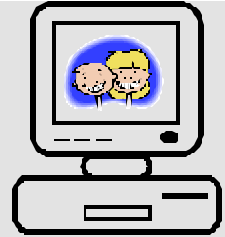
Tips on Checking References:

- ⇒ Prepare reference questions ahead of time so you can consistently ask the same questions for all applicants.
- ⇒ Suggest that person gather information and call you back if he/she seems unprepared.
- ⇒ Record the name and position of person giving references as well as the company name.
- ⇒ Take extensive notes. Use their words—not your words.
- ⇒ Use tact and persistence but don't force the issue.
- ⇒ Ask factual and objective questions—not opinion.
- ⇒ Document all questions asked for self protection—even if you get no response.

This Newsletter is now Online at:

<http://jsd.dli.state.mt.us/local/polson/>

Click on the Winter 2000 newsletter link.



Senate Bill 271, a bill to revise Montana laws related to employer liability for providing reference information, was signed by Governor Racicot and became law on May 5, 1999.

State Law Concerning Reference Checks:

The bill was sponsored by Senator Mike Taylor of Proctor, Montana and Senator Duane Grimes of Clancy Montana at the request of the Montana Chapter of the National Federation of Independent Business (NFIB) and the Montana State Council of the Society for Human Resource Management (SHRM). The bill received additional support from the Montana Chamber of Commerce.

The bill has several primary provisions:

First of all, the Act provides that any nonpublic (non-governmental) employer who discloses employment information (i.e., a reference) about a former or current employee's employment-related performance to a prospective employer of the employee upon request of the prospective employer or the employee is not liable for civil damages for the disclosure or any consequences related to the disclosure unless the employer knowingly, purposely, or negligently disclosed information that was false. For the purposes of this section, the definitions of knowingly, purposely, and negligently are those contained in Montana criminal law at 45-2-101 M.C.A.

The Act also revises the state's blacklisting laws to modify the Montana "Service Letter Act" that often became a trap for employers with regard to discharged employees. Under the old law, if a discharged employee asked the employer for the reason they were terminated, the employer was stuck with the reason they gave if the employee should later challenge the employer for wrongful discharge, discrimination or other law.

The requirement could work against unwary employers- not realizing that their answer could be used against them later- when they either did not respond or responded superficially or vaguely. When they were later challenged, the employer found the provisions of the blacklisting statute prevented them from providing the greater detail or additional justification for their actions needed to justify their actions.

The new law, requires the discharged employee to inform the employer of the possibility that the employer's statements may be used in litigation and, furthermore, allows an employer to modify their response at any time. The Act specifically provides that providing a response under this law may not limit the employer's ability to present a full defense in any action subsequently brought by the discharged employee.

It is important for employers to realize that even though this new law appears to provide a broad based new right for employers to furnish information about employees, it does not pre-empt other laws or rights employees have that might limit or prevent such disclosures.

As an example, the Americans with Disabilities Act and the Family and Medical Leave Act both contain prohibitions about the release of information about an individual's disability or about the employee's medical history. Employers subject to the Montana Human Rights Act have a similar prohibition to consider.

As with any change of law, the true effect on employment practices may not be known for several months or even years. Since there is no administrative agency with responsibility to interpret the law and issue clarifying regulations, employers will have to wait and see how the provisions of the law are interpreted by the Montana Supreme Court or the federal courts.

A number of attorneys have expressed a concern that this new law actually makes it easier to sue employers than was the case prior to May 5th. At a recent Helena seminar sponsored by SHRM, a Helena Labor Attorney, who represents many of Montana's larger employers, issued a strongly worded caution to employers who may be considering modifying their policies on information that can be provided under the new law.

Until the law has been given further definition and any challenges to the law have been heard, it makes sense for employers to proceed cautiously. This article prepared by: Jim Nys, Personnel Plus! Consulting Services, Inc., Helena 406/443-7787 pplustmt@initco.net.

Employee Retention: (continued from page 1)

COMMUNICATION – Ask employees' advice and listen to their concerns. Communicate expectations, priorities, and established deadlines; provide orientation to the new employees and existing employees as job duties change; evaluate performance informally on a regular basis by talking to employees about what they are doing and any problems; check on progress regularly; be consistent when dealing with problems or concerns; be accessible and available to employees; provide regular update to employees on business strategies and direction; get employees involved.

FREEDOM – Allow the employee to do the job once the framework has been established; respect values and differences; trust employee competence; allow for flexibility (do not believe there is only one way to do the job); implement flexible work schedules to meet the demands of the position as well as the demands of the employee's personal life.

TRAINING AND DEVELOPMENT OF EMPLOYEES - Provide training and career growth opportunities to employees to either gain additional skills or respond to changing technology and work processes; offer work assignments that exploit newly attained skills; provide job project diversity opportunities; keep employees involved.

RECOGNIZE AND REWARD – Tell people (publicly is best) when they have done a good job. Have a recognition meeting. Give letters of praise. Offer rewards for outstanding work-coupons for free meals, tickets to fun events, gift basket, etc. Send an announcement to the local paper honoring the employee of the month. Consider giving a bonus for perfect attendance for three months or after six months' of continuous employment with your company.

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